25X1X8 [redacted] 25X1X8 [redacted]
Approved For Release 1999/09/24 : CIA-RDP82-00457R000800200007-8
[redacted] FLASHFAX 17 CONFIDENTIAL [redacted]

CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Germany (Russian Zone)

DATE: 25X1A6a

SUBJECT Value, Assessment of Enterprises Converted to Soviet AGs in Saxony-Anhalt

INFO. [redacted]

DIST. 6 August 1947

PAGES 1

25X1A6a

ORIGIN [redacted]

SUPPLEMENT

ATTACHMENTS: Ten

25X1X6 25X1A8a

[redacted]

25X1X8

1. In order to evaluate the effect of the Russian occupation on German economy in the eastern zone, the Ministry of Economics and Trade of the Province of Saxony-Anhalt through SMA requested statistics from German firms which had been partly or entirely absorbed by Soviet AGs. A circular letter was sent to all such firms on 12 February 1947 (See Attachment A), asking for the required data.

2. Replies to the February circular are not yet complete, but a considerable number of firms sent in information. The firms statements indicated that in some cases data was not available and questions could not be answered; some replies were submitted as reports of conferences on the circular's questions. Considerable differences of opinion appear between German and Russian officials on valuation and on legal status of rented or leased property.

3. German officials point out that book values carried by most German firms show very high reserves, which are due to depreciations carried on balance sheets for bookkeeping purposes. When a sale was to be made, new estimates on the actual value of the property superseded the book value as carried. This method of showing depreciation has proved far too high, since the Russians do not permit re-estimates for sales and are thus taking over properties at book value without adjustment for depreciation. Russian officials also consider further depreciation resulting from extensive use of plants during the war years.

4. Attachments B to K are excerpts and statements sent in by various firms of Saxony-Anhalt in answer to the order of 12 February 1947.

Document No. 007
NO CHANGE in Class. ☐
☐ DECLASSIFIED
Class. CHANGED TO: TS S (C)
Auth: DDA Memo, 4 Apr 77
DDA REG. 77/1763
Date: 11 Apr 78 By: 016
CONFIDENTIAL
CLASSIFICATION SECURITY

REFERENCE CENTER LIBRARY

Approved For Release 1999/09/24 : CIA-RDP82-00457R000800200007-8
AUG 13 1947